

PENN. DIVIDEND 6 PER CENT. AGAIN AND PRICES RISE

Market in the Doldrums Until Railroad Makes Announcement.

Throughout the first three hours of business on the Stock Exchange to-day speculative pessimism was reflected by steady selling of stocks. Much of it represented sales for short account by professionals, but the market unsettlement was also caused in large part by profit taking and liquidation by holders who evidently had arrived at the opinion that the market had lost public support, and by its recent extended advance had fully discounted prospective business improvement.

At the beginning of the fourth hour of business directors of the Pennsylvania Railroad announced that they had ordered dividend disbursements of the company restored to the old 6 per cent. basis which had been in force continuously from the panic of 1907 until May of last year. The decision of the Pennsylvania management was considered so significant that the tone of the market immediately showed complete reversal. Not only was profit taking and liquidation brought to an abrupt end, but sufficient new outside buying was induced to convert early losses ranging from one to more than two points into gains of practically equal extent.

In early dealings the market had stubbornly refused to heed the announcement of an extra dividend of 1 per cent. by the Norfolk and Western Railway, the resumption of dividends at regular 10 per cent. rate by the Packard Motor Car Company, was inclined to gloss over as comparatively unimportant the excellent showing made by the Norfolk and Western in its September earnings statement, and refused to pay much attention to reports of large orders for railway equipment and numerous other favorable factors. Instead, emphasis was laid on the decline in the rate of French exchange to a new low for the year, to reports that the United States Steel Corporation would probably have to another increase in wages of day laborers to attract this class of workers to its mills.

There was much discussion, too, of the overbought position of the market and the high level of brokers' borrowings with dealings in comparatively small volume. Talk of a much needed shakeout became general.

Announcement of Pennsylvania's dividend increase was quickly followed by such persistent buying of that stock that it sold at the highest price since 1918 and within a point of the highest price since 1917. United States Steel, which had sold at 106 1/8, a decline of more than 5 points from its recent high, regained 1 1/2 points, while more speculative shares, such as Studebaker, Corn Products, Baldwin and others, rallied more than 2 points. Rails became in brisk demand, and throughout the list best prices of the day were registered in closing dealings.

The only conspicuous exception to the rallying movement was Davison Chemical. Early this year it sold above \$60 a share. It attained that price as a result of strong arm methods by a speculative pool. To-day, after declining 7 points it sold below \$60.

French francs dropped to 7 to 3-1 one hundredths of a cent, a new low for 1922, and a decline of more than 10 points on the day. Demand sterling was steady.

Funds borrowed for the purpose of stock speculation renewed at 4 1/4 per cent. The wheat market was slightly lower. Cotton declined 1.50 a bale.

FOREIGN EXCHANGE.

	Week Ago.
Sterling (par 4.886 per sovereign)	4.44 4.44
Demand 4.44 4.44	
Cables 4.44 4.44	
France (par 19.3 cents per franc)	4.46
Checks 7.02 7.10	
Cables 7.02 7.10	
Italy (par 19.3 cents per lire)	7.41
Cables 7.02 7.10	
Japan (par 48.8 cents per yen)	4.20
Cables 4.02 4.05	
Germany (par 23.8 cents per gold mark)	.03
Cables024 .024	
Switzerland (par 19.3 cents per franc)	4.46
Cables 18.28 18.32	
Holland (par 40.2 cents per florin)	18.40
Cables 39.04 38.99	
Belgium (par 19.3 cents per franc)	39.00
Cables 6.51 6.51	
Austria (decimal of a cent to the crown)	6.905
Demand00135 .00135	
Greece (par 19.3 cents per drachma)	2.03
Cables 2.20 2.14	
Sweden (par 26.8 cents per krona)	2.03
Cables 26.77 26.72	
Norway (par 26.8 cents per krona)	26.68
Cables 17.00 17.05	
Denmark (par 26.8 cents per krona)	18.00
Cables 20.12 20.12	
Spain (par 19.3 cents per peseta)	15.31
Cables 23.27 23.27	
Hungary (decimal of a cent to the crown)	.044 .044
Demand044 .044	
Czechoslovakia (par 26.8 cents per koruna)	3.24
Demand 3.24 3.26	
Poland (decimal of a cent to the mark)	3.29
Demand005 .005	
Canada (cents per dollar)	.021
Demand0015 .0015	
Japan (par 48.8 cents per yen)	100.15
Cables 48.30 48.25	
Hongkong (par 50.32 cents per dollar)	50.75
Cables 50.50 50.75	
Calcutta (par 32.44 cents per rupee)	29.50
Cables 30.45 29.20	
Argentina (cents per peso per peso)	36.37
Cables 36.00 36.50	
Brazil (cents per milreis)	11.30
Cables 11.30 11.55	
Chile (par 20.00 cents per peso peso)	12.80
Cables 12.80 12.70	

COMPLETE STOCK TABLES AND FINANCIAL NEWS

CLOSING STOCK QUOTATIONS

WALL STREET GOSSIP

COMPLETE CURB QUOTATIONS

PENNSYLVANIA'S HIGHER DIVIDEND.

The financial district did not hesitate to-day to place high significance on the decision of directors of the Pennsylvania Railroad to restore the dividend to a 6 per cent. basis. Prior to the announcement of the dividend increase, which came at the beginning of the fourth hour of business, there had been persistent selling of stocks all around the room and representative shares showed declines ranging from one to more than two points. When the action of Pennsylvania directors became known not only was selling checked, but the resultant demand for stocks was sufficient to cause a rally of more than a point in United States Steel and rallies of from one to two points in stocks which command a large public following.

The Pennsylvania disbursed dividends at a 6 per cent. rate continuously from the panic of 1904 until May of last year. The reduction to 4 per cent. at that time was due to circumstances not under control of the management. Action of directors in restoring the rate to 6 per cent. is anything but unconservative. Prospects are that the company will show at least 8 per cent. earned on its stocks this year. Moreover, the outlook for business is considered so favorable and the cost of moving business has been so reduced that prospects indicate that net earnings and the surplus available for dividends will continue to show healthy expansion.

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ARMY DIRIGIBLE C-14 IS DAMAGED.

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